



**Northeast
Utilities**



Williams Capital Transmission Conference

JANUARY 11, 2012

NU Safe Harbor Provisions

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2012-2016 Plan Continues to Provide Significant Value for Customers and Shareholders Through Investment of \$5.7 Billion in Infrastructure, Supported by Strong Execution and Rigorous Cost Management

Specifically, the plan:

- Invests \$2.6B in Transmission, reflecting completion of Northern Pass Project, substantial completion of NEEWS, and continued investment in New England reliability
- Invests \$2.1B in Electric Distribution infrastructure, reflects deferring implementation of AMI at CL&P; better capital utilization with aging infrastructure; and revised projections of new service connections
- Invests \$255M in generation; \$160M for base load generation and completion of Merrimack Scrubber and \$95M investment in renewable generation at CL&P and WMECO
- Invests \$566M in Yankee Gas, slightly lower than previous plan due to completion of Waterbury-to-Wallingford pipeline project; also captures a compelling opportunity due to the combination of low commodity prices and potential increased customer penetration in Connecticut

NU Continues to Complete Major Projects on Time and At or Below Budget

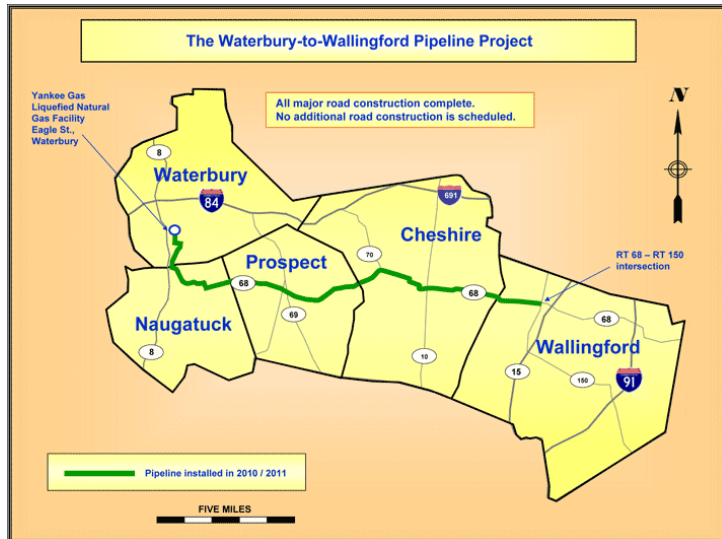
Clean Air Project



WMECO Solar Project



WWL Project



- PSNH Scrubber at Merrimack Station commenced operation in fall 2011
 - \$422 million
 - \$35 million below budget
- WWL Project entered into service in November
 - \$54 million
 - \$3.6 million below budget
- 4 MW of WMECO solar now in operation

NEEWs Projects Advance Current Status Report

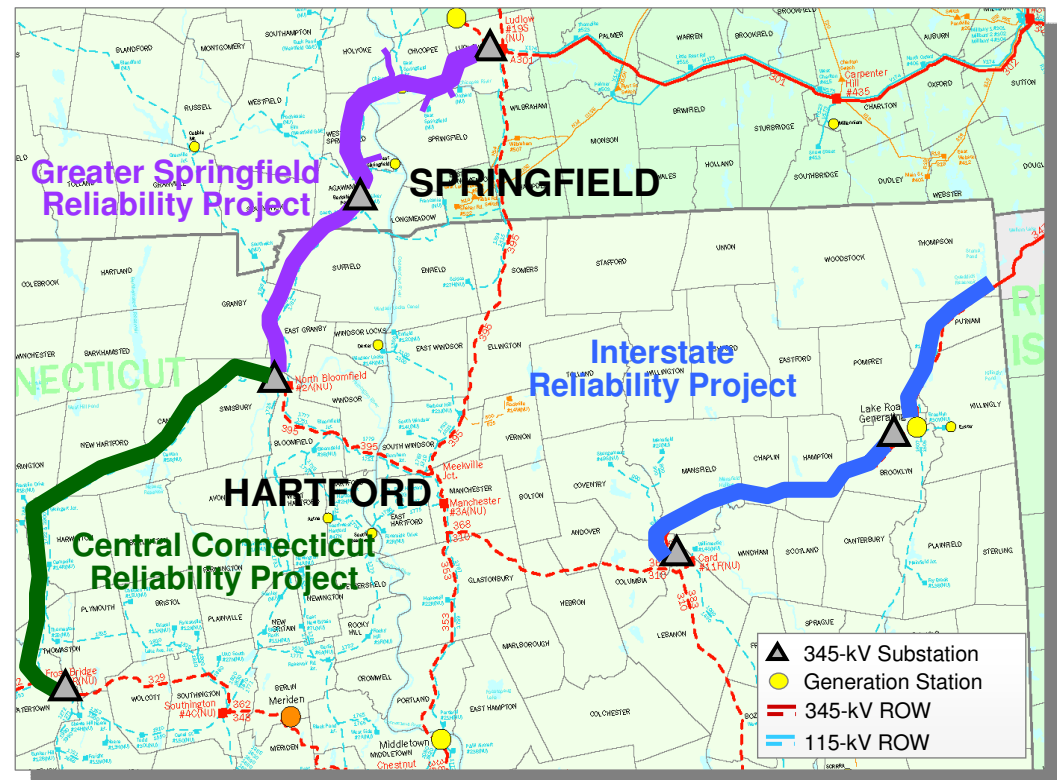
Greater Springfield Reliability Project

Under Construction

- Substation construction commenced in MA in December 2010; in CT in summer 2011
- Army Corps of Engineers permit received in September - full overhead construction has commenced in both MA and CT
- Projected in-service: late 2013
- Total projected NU cost: \$718 million

Interstate Reliability Project










- Joint project with National Grid (*NU in CT; NGrid in MA & RI*)
- ISO-NE confirmed need: August 2010
- Siting application filed in CT in December 2011
- Siting decisions: 2013
- Commence construction: late 2013/early 2014
- Projected in-service: late 2015
- Total projected NU cost: \$218 million



Central Connecticut Reliability Project

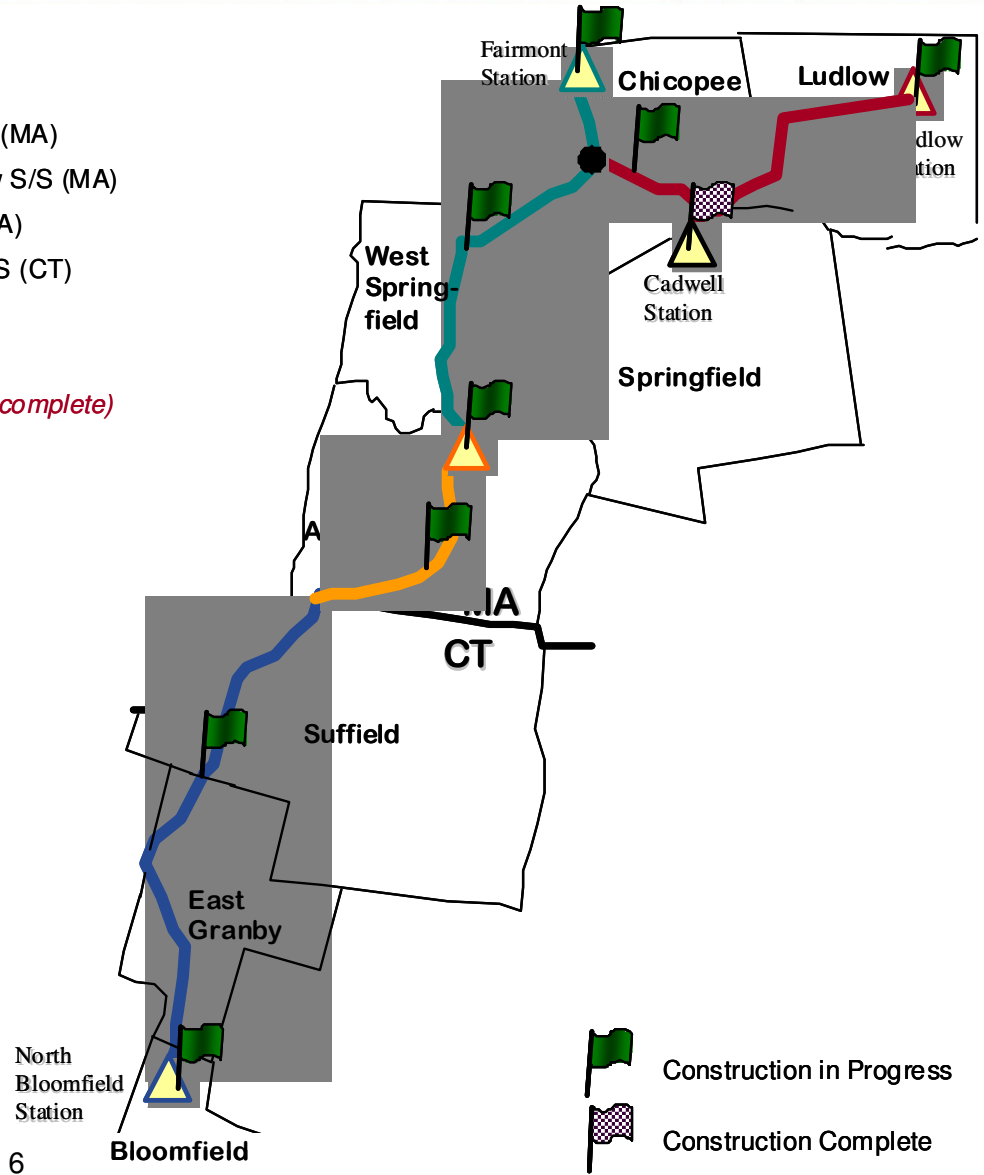
- Review to be completed and needs identified in early 2012 with specific projects identified later in 2012
- Projected in-service: 2017
- Total projected NU cost: \$301 million

Greater Springfield Reliability Project

-  Element 1: Overhead Line: Fairmont S/S to Agawam S/S (MA)
-  Element 2: Overhead Line: East Springfield Jct. to Ludlow S/S (MA)
-  Element 3: Overhead Line: Agawam S/S to State Line (MA)
-  Element 4: Overhead Line: State Line to N. Bloomfield S/S (CT)
-  Element 5: Ludlow Substation (MA)
-  Element 6: Agawam Substation (MA)
-  Element 7: Cadwell Switching Station (MA) *(construction complete)*
-  Element 8: Fairmont Switching Station (MA)
-  Element 9: North Bloomfield Substation (CT)

Project is on schedule:

- Overall: 50% complete
- Construction: 30% complete
- All elements are under construction; one element is complete
- Projected in-service date: Late 2013



Revised NEEWS Project Costs (in \$ millions)

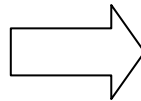
NEEWS Projects 2011 Cash Flows	Priors	2011	2012	2013	2014	2015	2016	
Greater Springfield Reliability Project	153	170	232	119	44	0	0	718
Interstate Reliability Project	41	9	11	12	70	74	1	218
Central Connecticut Reliability Project	15	1	2	13	42	150	78 ⁽²⁾	301
NEEWS Related Projects	33	28	17	7	0	0	0	85
Total NEEWS Projects - 2011 EEI⁽¹⁾	242	208	262	151	156	224	79	1,322⁽³⁾
Total NEEWS Projects - 2010 EEI⁽¹⁾	239	235	351	179	185	280	49	1,518⁽³⁾

⁽¹⁾ 2010 EEI cashflows include actual and forecasted AFUDC through December 31, 2015; 2011 EEI cashflows reflect actual AFUDC only through May 31, 2011.

Total NEEWS Projects – 2011 EEI Net UI	242	208	252	136	156	213	55	1,262
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2010 EEI Estimate
\$1,518M

Greater Springfield Reliability Project \$795M
Interstate Reliability Project \$301M
Central Connecticut Reliability Project \$338M
NEEWS Related Projects \$84 M



2011 EEI Estimate
\$1,322M

Greater Springfield Reliability Project \$718M
Interstate Reliability Project \$218M
Central Connecticut Reliability Project \$301M
NEEWS Related Projects \$85 M

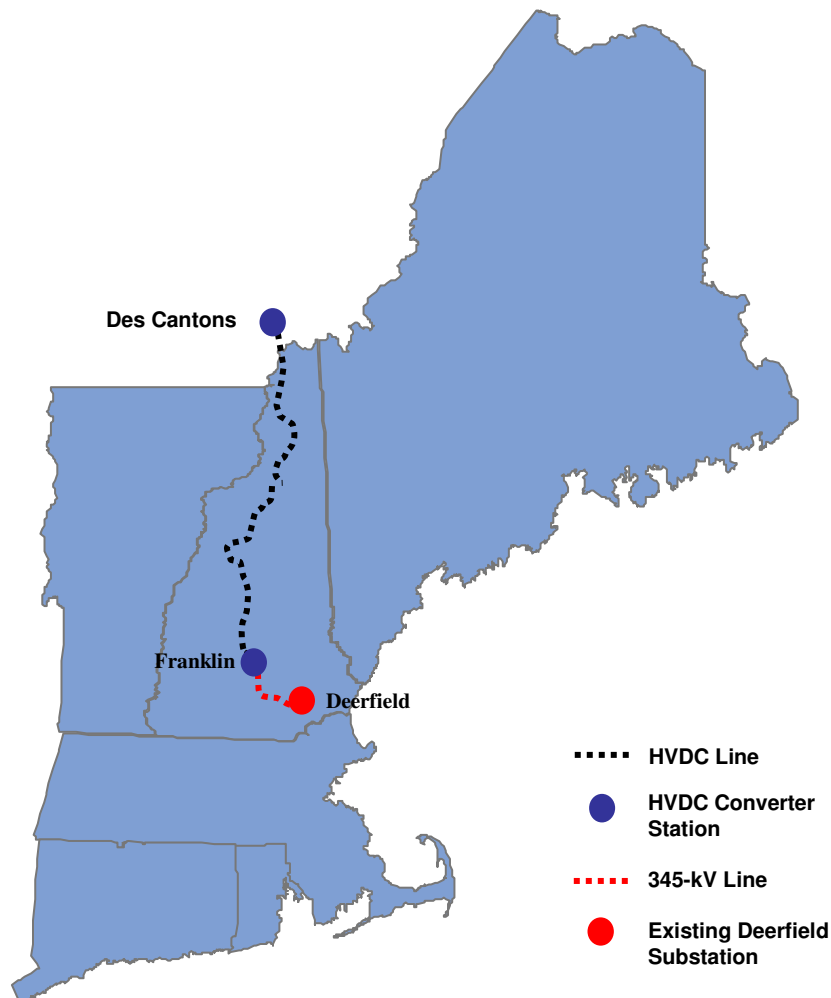
⁽²⁾ A portion of these capital expenditures is expected to be spent in 2017.

Primary Changes

- Removal of AFUDC charges estimated to be incurred after June 1, 2011 due to FERC order allowing 100% of Construction Work in Progress to be placed into regional rates.
- Reduction of Interstate Reliability Project scope (310 Loop / Card Street scope).
- Related Projects: a combination of offsetting budget and AFUDC adjustments. Approximately \$40M of the \$85M has been placed in service.

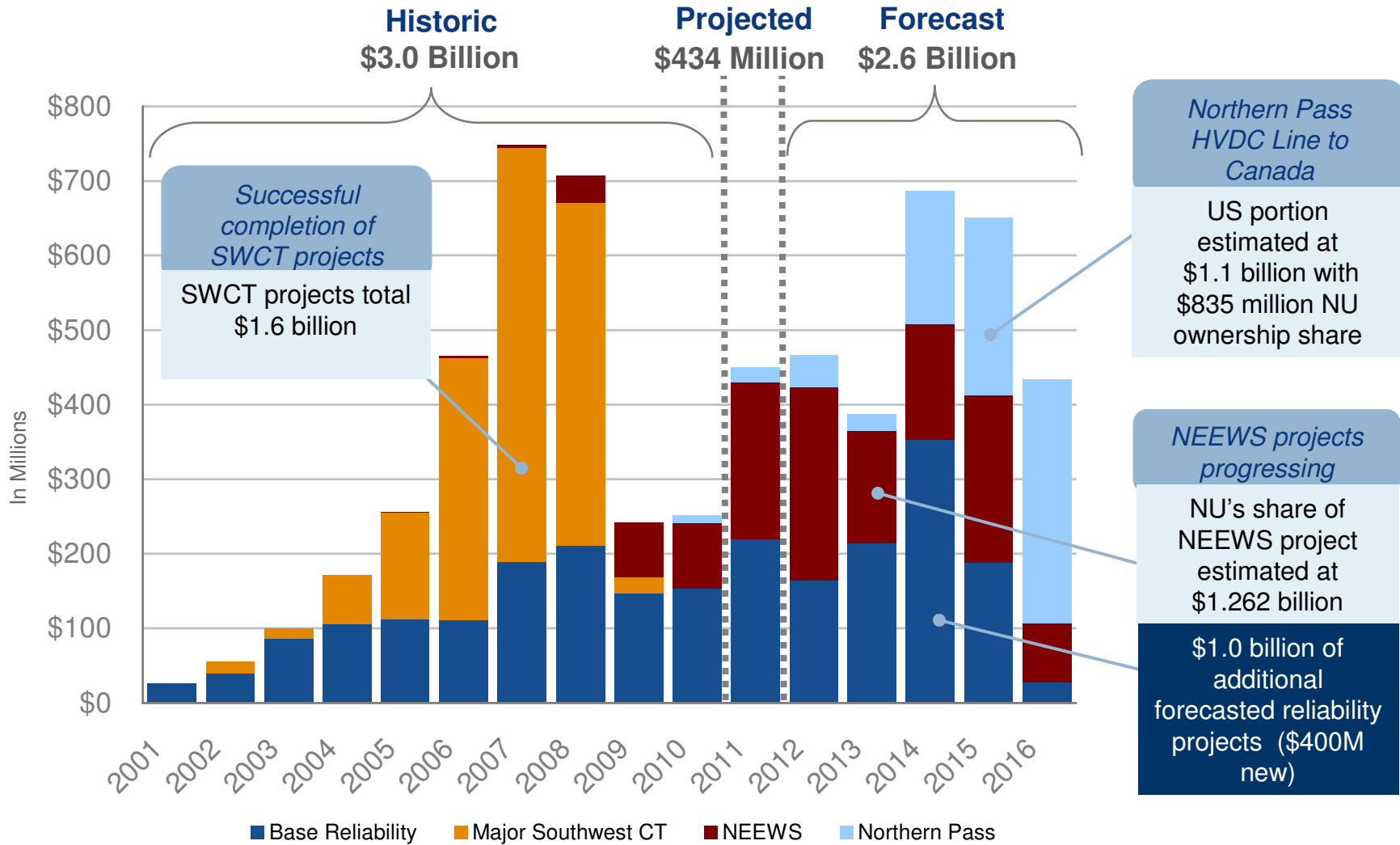
⁽³⁾ NEEWS totals above do not reflect UI Investment in CL&P NEEWS Projects. Based on current NEEWS project estimates, a potential UI investment of \$60 million has been reflected in the 2011 EEI net numbers above and in the NU consolidated earnings projections. For 2010 EEI numbers, the UI investment was estimated at \$69M.

Even Before Merger Was Announced, NU and NSTAR Were Partners on Northern Pass



- To be owned by Northern Pass Transmission LLC
NU (75%) and NSTAR (25%)
- 1,200 MW transfer capability
- Significant environmental and economic benefits for New England
- Northern terminus of DC line at Des Cantons (Québec), southern terminus in Franklin (New Hampshire)
- 345kV AC leg from Franklin to Deerfield, NH
- TSA accepted by FERC
- Permitting process continues with U.S. DOE, U.S. Forest Service
- Continued progress in securing alternate route in northern New Hampshire
 - Community outreach ongoing
- Capital cost estimate for US segment - \$1.1 billion
 - Completion projected for fourth quarter 2016

2012-2016 Transmission Capital Expenditures Includes More Than \$400 Million of New Projects



2012-2016 NU Transmission Capital Program Other Projects – In Millions

CL&P

1990 Line Structure Replacement	\$63.3
Hartford Area Reliability	\$53.2
Stamford Underground Cable	\$48.5
Southwest CT Upgrades	\$30.0
Separate Lines 348,310,371 & 383	\$24.6
115 KV Hollow Core Insulator Repl	\$22.2
South Meadow BPS	\$12.9
OPGW Communications Projects	\$10.4
Obsolete Equipment Repl. Prgm.	\$7.8
Vehicle Purchases	\$7.0
36 Additional Reliability Projects	\$43.9

\$323.8

WMECO

Pittsfield / Greenfield Area Solution	\$107.6
West Springfield S/S Rebuild	\$48.3
115 KV Hollow Core Insulator Repl	\$13.7
OPGW Communications Projects	\$8.4
115 KV Relay Replacements	\$5.6
10 Additional Reliability Projects	\$15.8

\$199.4

PSNH

NH Reliability Project in RSP	\$84.6
NH Reliability Project not yet in RSP	\$154.2
Scobie - Tewksbury Line	\$40.1
Manchester Area Solution	\$34.4
Maine Power Reliability	\$31.5
Nashua Area Solution	\$28.4
New Peaslee SS & 115 KV Line	\$24.0
Deerfield 2nd Auto Transformer	\$22.4
New Maintenance Facility	\$12.9
Eagle Substation	\$7.7
New Pease Substation	\$6.0
OPGW Communications Projects	\$4.6
39 Additional Reliability Projects	\$31.6

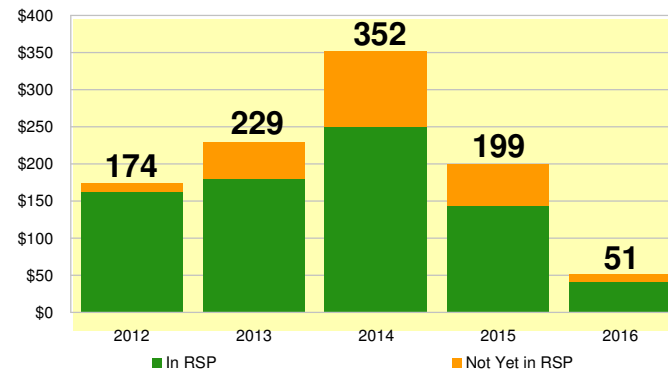
\$482.4

Total \$1.0 Billion
High confidence level in “Other Projects”, 77% in RSP as required.

Breakdown of Other Projects:

- 77% (\$777M) - in RSP
- 23% (\$228M) - not yet in RSP

Other Transmission Capital Projects
In RSP / Not Yet in RSP



Transmission 2012-2016 CapEx Plan Includes \$346 Million Program for Reliability Upgrades at PSNH and WMECO

PSNH Total = \$238 Million

WMECO Total = \$108 Million

Northern Area*

- Autotransformer addition
- 2013 estimated ISD

Central Area*

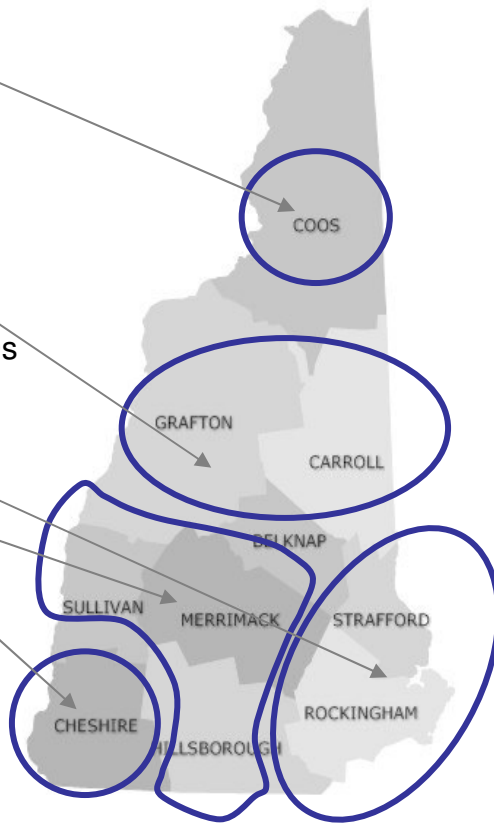
- Synchronous condenser
- Capacitor banks
- 2013-2015 estimated ISDs

Seacoast Area**

Southern Area**

Western Areas*

- New 115 kV lines
- 115 kV line rebuilds
- Capacitor banks
- 2014-2016 estimated ISDs



Pittsfield-Greenfield Area*

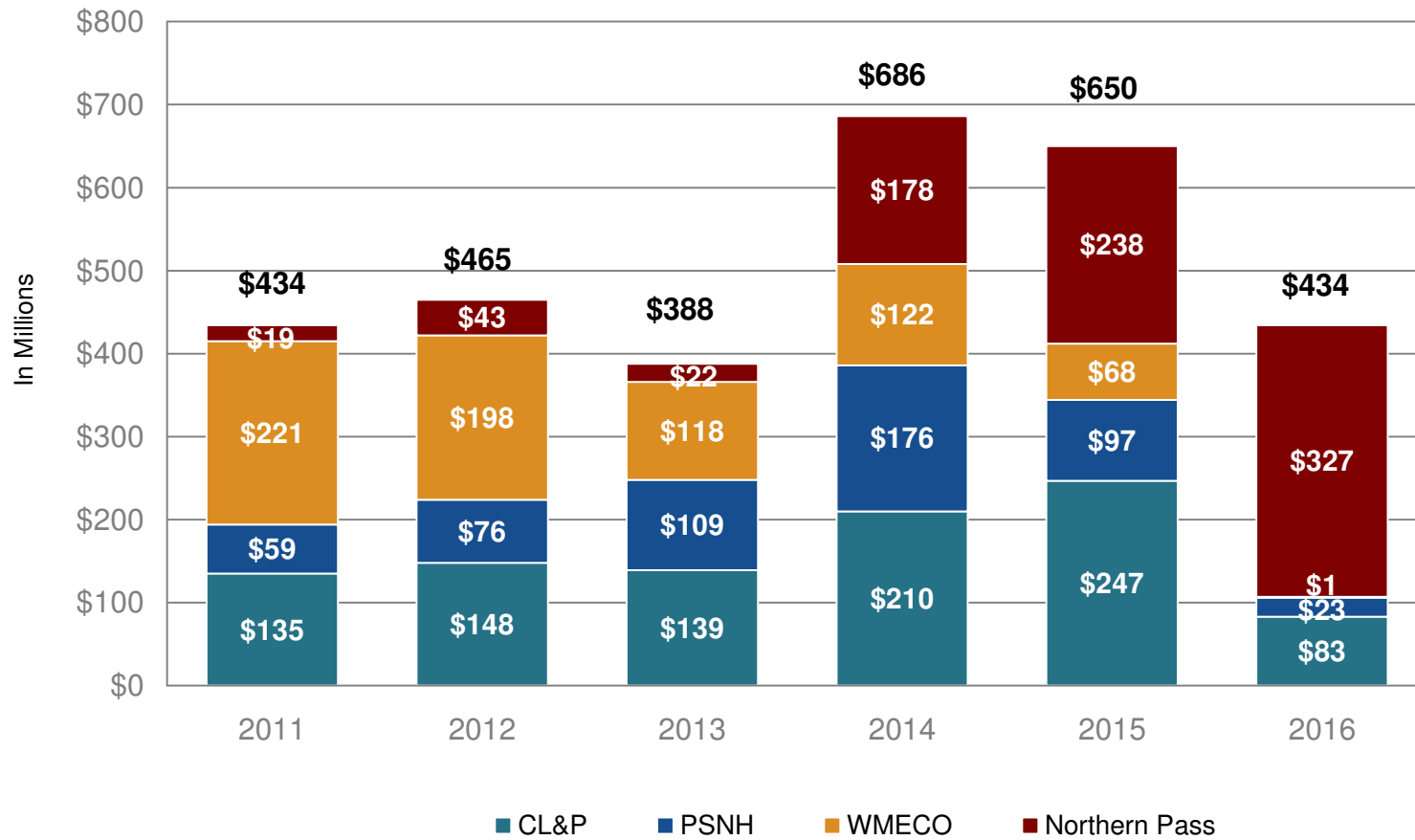
- Autotransformer addition
- New 115 kV switching station
- New 115 kV line
- 115 kV line rebuilds
- Capacitor banks
- 2014-2015 ISDs

* Projects were identified by ISO-NE in its Berkshire County/Pittsfield area reliability review and are included in the current ISO-NE RSP

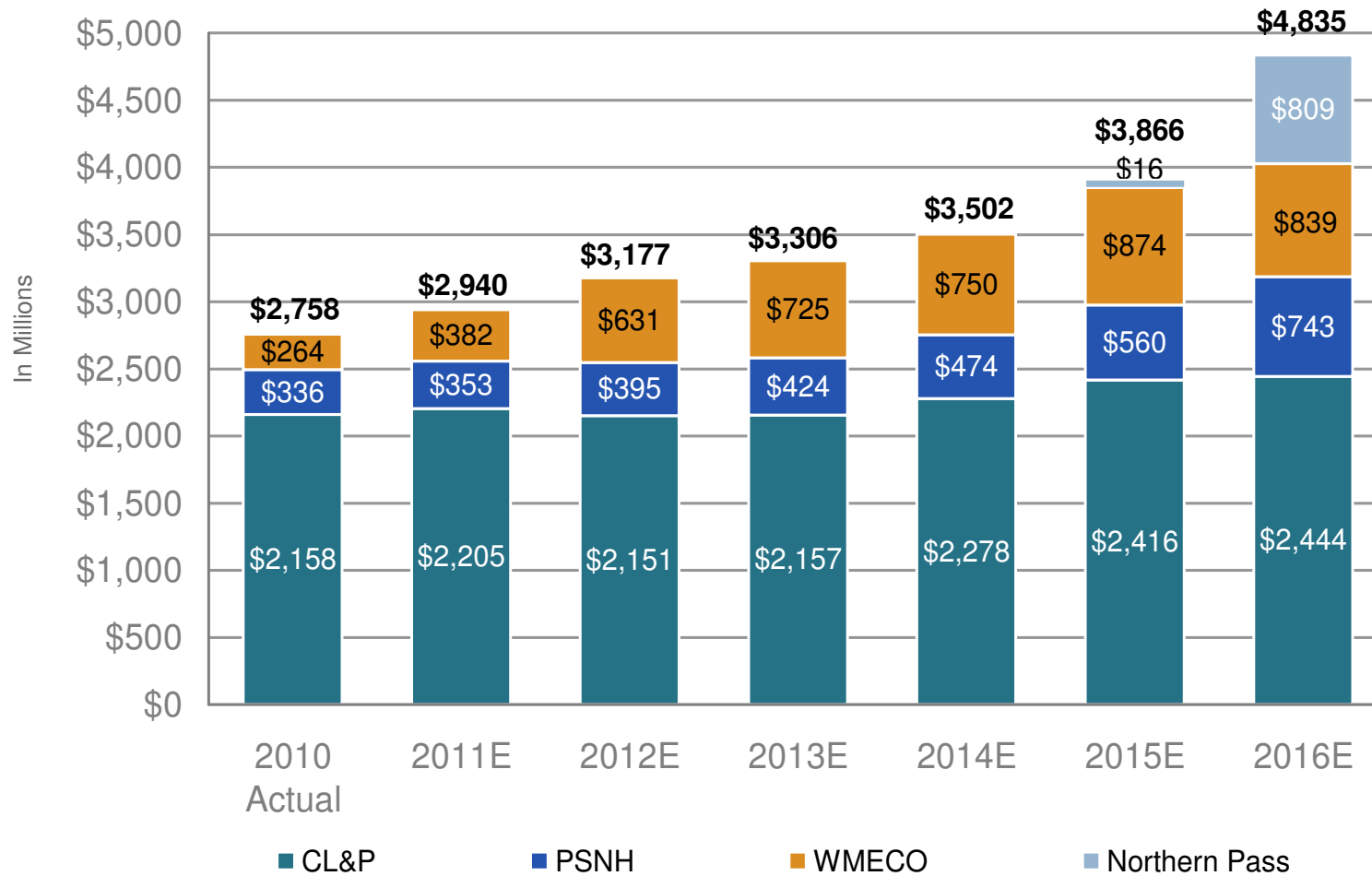
* Projects were identified by ISO-NE in its Vermont/New Hampshire reliability review and are included in the current ISO-NE RSP

** Projects expected to be finalized in Q1 2012 and added to the April 2012 update of the ISO-NE RSP

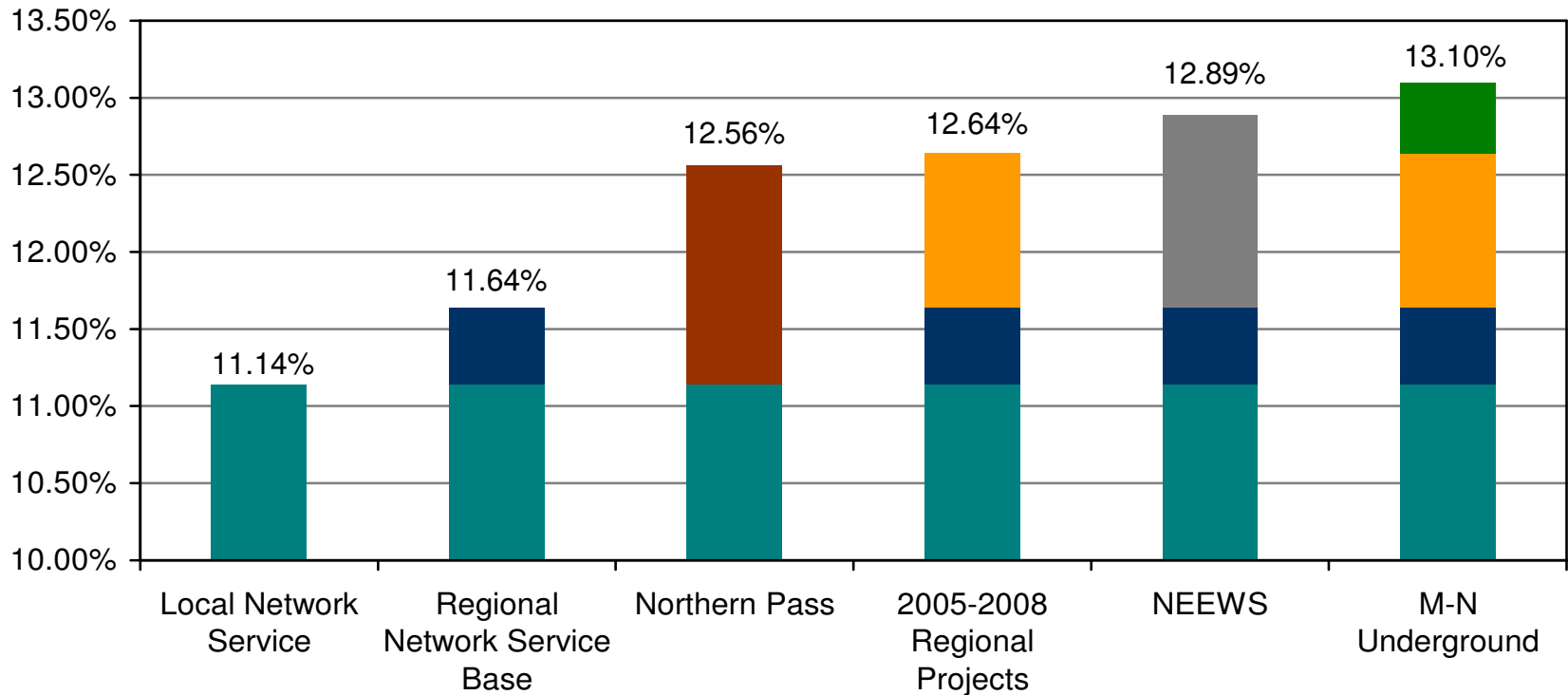
NU Projected Transmission Capital Expenditures



NU Projected Transmission Year-End Rate Base



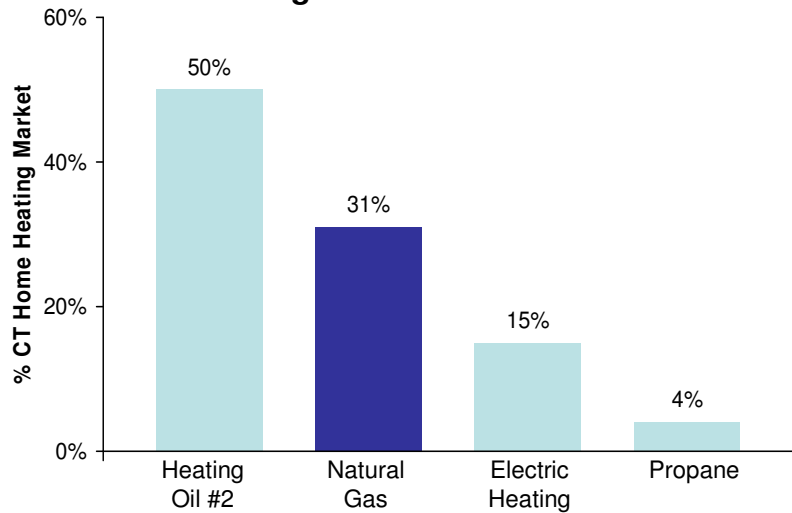
Review of FERC-Approved Transmission ROEs



- NU's Local Network Service Tariff ROE (subject of states' 9/30/11 Section 206 complaint to FERC)
- NE RTO Incentive adder of 50 basis points on PTF assets
- ISO-NE Planned Regional PTF projects in-service before 1/1/09 (D.C. Circuit Court rejected appeal on 1/29/10)
- Middletown-Norwalk advanced technical underground cable system
- 125 basis point NEEWS incentive (request for reconsideration denied by FERC on 6/28/11)
- 142 basis point Northern Pass incentive (request for reconsideration denied by FERC on 8/5/11)

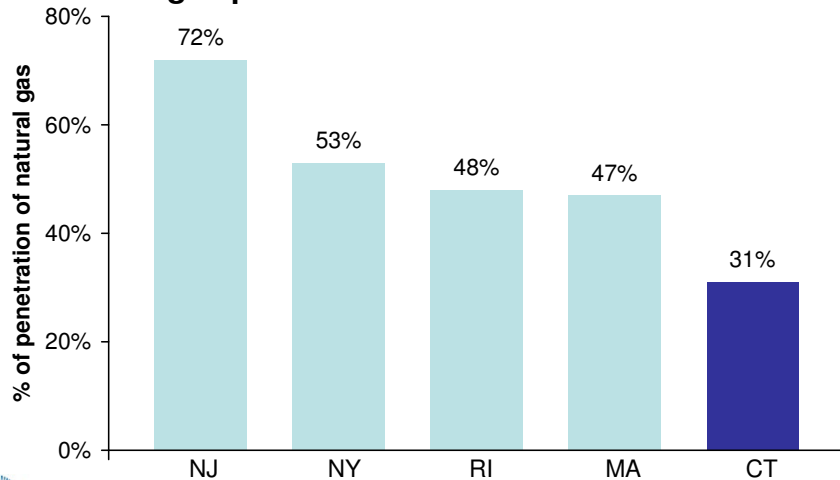
Natural Gas: A Compelling Infrastructure Growth Opportunity

CT Home Heating Market Penetration



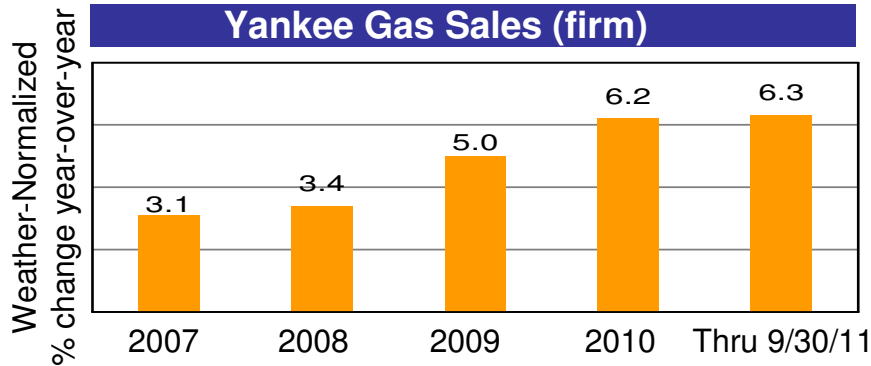
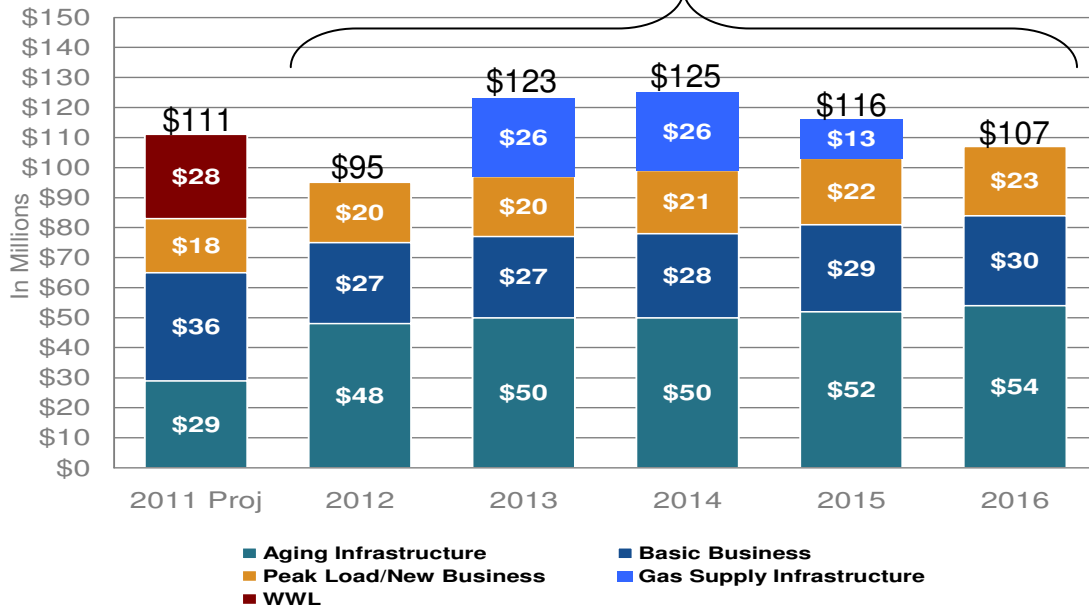
- A 35 percent increase in firm YTD gas sales since 2006
- WWL project complete and in rates
- Capital investment projected at \$566 million from 2012-2016
 - Expands natural gas access, removes gas constraints
 - Pursues further oil-to-gas conversions
 - Accelerates cast iron and bare steel pipe replacement to \$40 million/year
- Increasing the penetration to 50 percent of the state would yield long-term benefits
 - Significant customer savings
 - Reduced emissions
 - Reduction in oil demand

Natural gas penetration CT vs. other states



Yankee Gas Projected Capital Expenditures

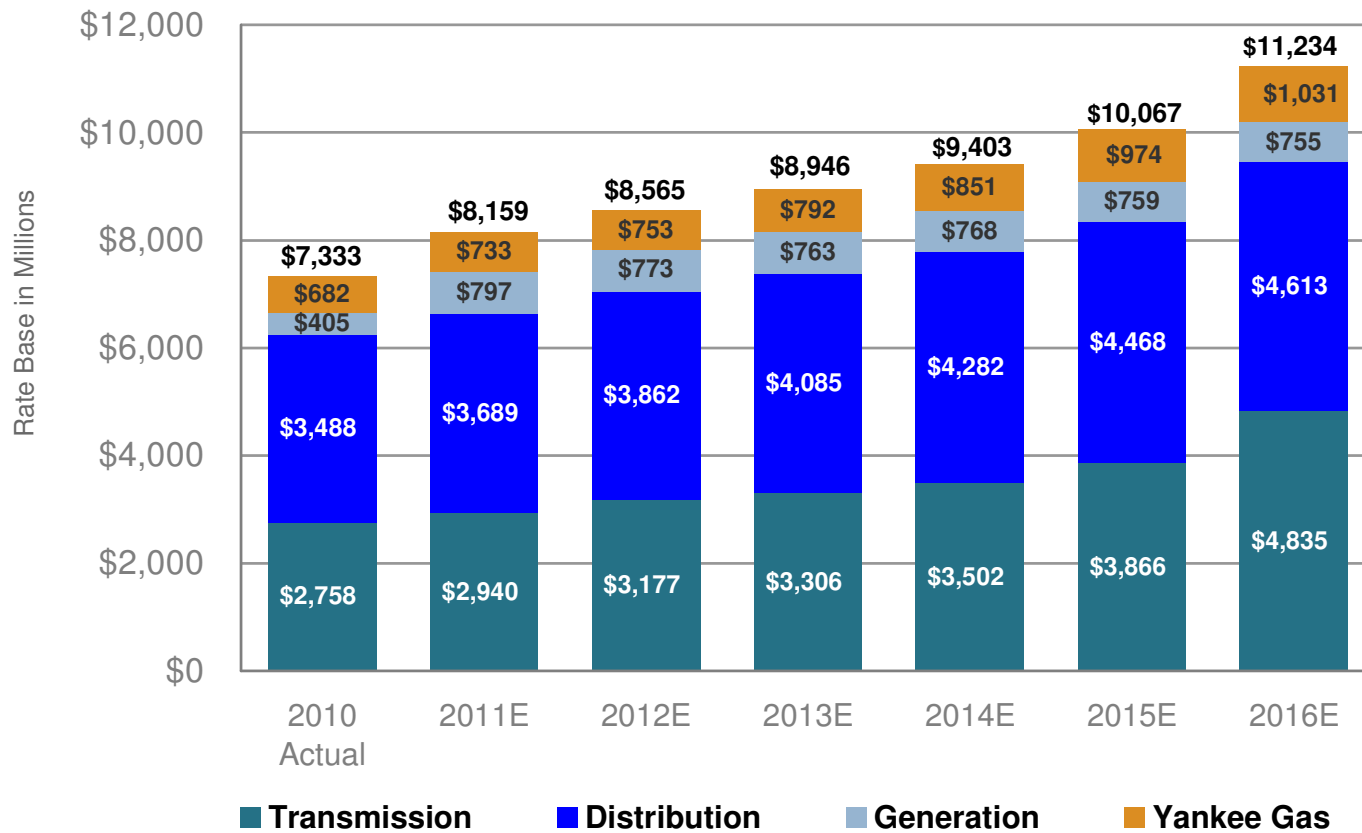
2012-2016 Projected Yankee Gas Capital Spending
\$566 Million



Yankee Gas Strategy

- ❖ Investing \$566 million, leveraging natural gas as “the fuel of choice”
- ❖ Responding to increased demand for natural gas due to economics, environmental benefits
- ❖ Distribution system expansion: 2011 spending of \$28 million for 16-mile Waterbury to Wallingford Line and modifications to the LNG facility (WWL); total project cost of \$54M
- ❖ Investing in gas supply infrastructure
- ❖ Accelerated replacement of cast iron / bare steel pipe: \$40M annually starting in 2012

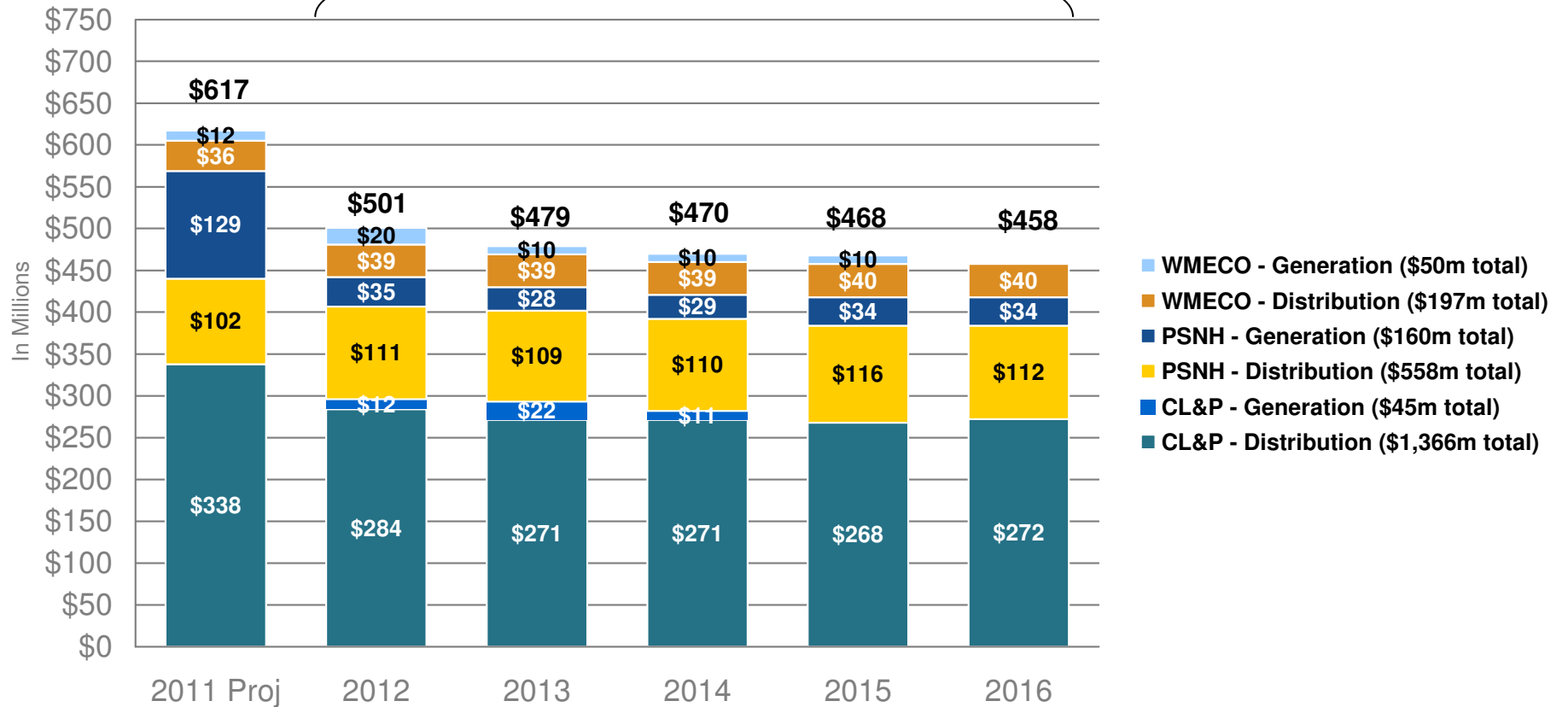
Projected NU Year-End Rate Base



Appendix

Projected Electric Distribution and Generation Capital Expenditures – By Company

2012-2016 Projected Distribution & Generation Capital Spending
\$2.4 Billion



Actual and Projected Distribution and Generation Year-End Rate Base

